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BRIEF TO:

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March 12th, 1960

The Rand Royal Commission,  
Calgary, Alberta.

Gentlemen:

We, the Joint Crow's Nest Pass Towns' Committee, represent the City of Fernie, the Towns of Coleman and Blairmore, the villages of Frank, Bellevue and Lundbreck, as well as their Chambers of Commerce, and Boards of Trade, an area spreading over a distance of sixty miles along the Canadian Pacific Railway, which was built and sustained on coal production and for over the past fifty years developed a sound economy, capable of producing over three million tons of medium volatile coking bituminous coal per year, and the employment of over three thousand (3000) persons.

However, today's coal production and employment are only about 20% of the area potential. The extent of coal mining operations is now only a shadow of its former size, which naturally has adversely affected the economy of the area, in line with that in other coal producing fields throughout the Province. The following statistics relating to coal production in the Province of Alberta, will give some idea as to the extent of economic reduction suffered in recent years:-

Production 1949	8,616,983 Tons ✓
" 1957	3,155,354 Tons ✓
" 1959	2,500,000 Tons ✓

Irrespective of this fact, and the fact that other coal mining communities in the Province are now ghost towns, the question of a disintegrating coal mining industry is a very serious matter for Canada as a whole, and Western Canada in particular.

The future of any country in this modern and progressive world is, in a large way, governed by the value of its natural resources, and the ability of the country to exploit them to its full extent. This situation applies particularly to Canada, a country which is presently blessed with an over concentration of hydrocarbons.





Production of bituminous coal in this general area alone has fallen from a peak of some four million tons in 1949, to around 800,000 tons in 1959, with disastrous effects on coal mines which were, and could be again valuable assets in the contribution of hydrocarbons to a progressive Canada.

Reasons for this serious reduction in coal production and the general disintegration of the coal mining industry is, of course, the development of oil and gas fields of Western Canada, and their displacement of coal in its natural markets.

The Canadian Pacific Railway who, in normal times, purchased 70% of the coal produced in this area, are now completely dieselized, and purchase no coal for locomotive fuel.

Power Companies, Cement Plants, Paper Companies, and many other large coal burning institutions in Central and Western Canada have now converted their fuel requirements to either fuel oil or natural gas, with disastrous effects upon the coal industry of Western Canada.

The domestic coal requirements, that is, coal supplied to the householder, whether it be in the city, town or country, is being rapidly displaced by fuel oil, natural gas or propane, throughout the whole coal burning area from Vancouver Island to Winnipeg.

Should this trend continue, the overall result will be that Canada's coal industry will be forced out of business, which in the opinion of many competent authorities on this subject, will be nothing short of an industrial and national calamity.

There are many reasons of national importance why a Canadian coal industry should be preserved at an economic level, some of which can be enumerated as follows:

(1) Coal which contains from 60% to 80% carbon, has been the basis for industrial progress in every country in the World. It can be further noted that countries with no developed coal supply have made little or no industrial progress.

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(2) A steady supply of hydrocarbons should be made available to industry from as many sources as possible, as an insurance against the failure or shrinkage of supply from any one or more sources.

The significance of this statement can only be fully realized by visualising a sudden drop in the supply of oil and/or natural gas from present sources of supply across the Western Prairies, and particularly so, if our coal industry has already been abandoned.

(3) Carbon in its many forms, is the chemical base for our energy requirements, and coal contains 90% of the world's supply of carbon, with petroleum products containing less than the remaining 10%. In Western Canada the potential fuel and energy reserves in coal is three times that of petroleum products, even accepting the most optimistic estimates of natural gas and oil reserves in the ground.

(4) We are presently spending one and one-half billion dollars per year on national defence, but in case of war involving us, the value of our defences would be reduced to something near worthless without a steady and sufficient supply of good coal being available to industry.

(5) With the continued trend of industrial expansion in this Western country, the ever-increasing demand for energy will run a paralleled course, thereby creating a situation where unlimited amounts of coal will become necessary to complement supplies of petroleum products, rather than compete against them. This situation could become evident at a date much earlier than is generally accepted.

Coal, coke and power are the necessary ingredients for successful industrial expansion, and this long range fact will not be changed in the foreseeable future.

(6) Metallurgical industries are in the development stages in Western Canada at this present time, and it is fully recognized just how much such industries rely on an available supply of coal, coke and power, irrespective of how much fuel oil and gas is available. Without a Canadian supply of suitable coal, the development of such industries could be

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Some  
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(4) We are presently spending one and one-half billion dollars per year on national defence, but in case of war involving us, the value of our defence would be reduced to something near worthless without a steady and sufficient supply of good coal being available to industry.

(5) With the continued trend of industrial expansion in this Western country, the ever-increasing demand for energy will run a parallel course, thereby creating a situation where unlimited amounts of coal will become necessary to complement supplies of petroleum products, rather than compete against them. This situation could become evident at a date much earlier than is generally accepted.

Coal, oil and gas are the necessary ingredients for

modern industrial expansion and this long range fact will not be changed in the foreseeable future.

(6) Industrialized industries are in the development stages in Western Canada at this present time, and it is fully recognized that few such industries rely on an available supply of coal, oil and gas, irrespective of how much fuel oil and gas is available. Without a Canadian supply of reliable coal, the development of such industries could be



retarded, unless the required coal be imported from the U.S.A.

Such a situation would make Canada look ridiculous, when we have unlimited reserves of suitable coal, with nobody to operate them.

(7) Oil and natural gas reserves are not without their limits, whereas our known reserves of coal are practically without limits, and the matter of using our energy sources should be reviewed on this basis.

Coal reserves will not deteriorate when left in the ground, but if the industry is abandoned, then there will be no physical, financial or engineering resources available to renew the development and production of coal, which could seriously effect an orderly growth of Canadian industry.

Strip mining could be used as an expedient, to obtain a speedy supply of coal, but this coal by its very nature, is limited in its application, and the majority of our reserves of good quality coal must be mined by underground methods.

Other factors can be introduced to substantiate good reason for the preservation of at least a nucleus of the coal mining industry, in that -

(a) Mining towns, with all service facilities, roads and railroads are already in existence.

(b) A large percentage of the homes in these towns are privately owned by our present and former employees, and steps taken to preserve the industry will assist in preserving these towns, and the homes of individuals, which after all, is the grass roots basis for a successful economy in any country.

(c) Millions of tons of coal are presently developed in these mines, which would be permanently lost if the industry is abandoned.

(d) By preserving the coal industry, our country would have the finest insurance possible in having a continuous supply of good coal available for industry. A fuel policy for Canada - not only an oil and gas policy - would provide for the efficient use of this overall supply of hydrocarbons for Canadian industry, on which can be built a solid and lasting national economy.

referred, unless the required coal be imported from the U.S.A.  
Such a situation would make Canada look ridiculous, when  
we have unlimited reserves of suitable coal, with nobody to operate them.  
Of course there are the savings of the new technology and it may be in 10 or  
15 years (7) Oil and natural gas reserves are not without their limits.  
The Government must be prepared to face the possibility of a situation where  
whereas our known reserves of coal are practically without limits, and the  
matter of raising our energy sources should be reviewed on this basis.

Coal reserves will not deteriorate when left in the ground.  
But if the industry is abandoned, then there will be no physical, financial  
or engineering resources available to renew the development and production  
of coal, which could seriously affect an orderly growth of Canadian industry.

Strip mining could be used as an expedient, in certain circumstances,  
speedy supply of coal, but this coal by its very nature is limited in its  
application, and the majority of our reserves of good quality coal must be  
mined by underground methods.  
Other factors can be introduced, to substitute coal reserves  
for the preservation of at least a nucleus of the coal mining industry, in  
that -

- (a) Mining towns, with all services facilities, roads and rail-roads are already in existence.
- (b) A large percentage of the homes in these towns are privately owned by our present and former employees, and steps taken to preserve the industry will result in preserving these homes, and the homes of individuals who will stay all the time ready for a renewed energy in the industry.
- (c) Millions of tons of coal are presently developed in these areas, which should be permanently lost if the industry is abandoned.
- (d) By preserving the coal industry, our country would have the finest resources possible in having a continuous supply of good coal available for industry. A fuel policy for Canada - not only an oil and gas policy would provide for the efficient use of this overall supply of hydrocarbons for Canadian industry, on which can be built a solid and lasting national economy.



The coal industry has always been a major employer of labour, and has always been an important source of employment for the forty to fifty-five year old age group. Dominion Bureau of Statistics for the whole of Canada show the average of the over forty-five age group to be 12.7% of the placement made by the National Employment Service. Statistics of placements by the National Employment Service for this area show 57% in this over forty-five age group.

Men of this age group who have been laid off from coal mining have found it very difficult to become rehabilitated in other branches of industry, in spite of the fact that they are capable of doing a good day's work.

This situation is creating some concern to our present Government, as per recent enquiries from Hon. M. Star, Minister of Labour.

A thriving, active coal mining industry could relieve this aggravating situation, as well as reducing the demand for unemployment insurance benefits. In 1958 some \$726,000.00 was paid out in U.I.C. benefits, and over \$600,000.00 in 1959, in this area alone.

With reference to the employment of labour, it is important to note that coal mines are generally very busy during the winter months, and therefore in a position to employ labour at a period when the overall employment figures in Canada are at a low level.

Since the survival of nearly every industry of consequence in Canada depends on either subsidy or protection, we in the Crow's Nest Pass area feel that in the face of the facts presented above as to the coal industry helping employment, particularly those of the upper age bracket, and decreasing the cost of unemployment insurance, that further subsidies to bolster the coal industry and thereby stabilizing the economy of the coal mining areas, are in the interests of the country as a whole.

As the question of sustaining the coal industry is of national economic importance, then the Federal Government should take effective steps by various means to preserve at least a nucleus of the industry.



The coal industry has always been a major employer of labour,

and has always been an important source of employment for the forty to fifty-five year old age group. Demand for labour in the coal industry has been the average of the other twenty-five age group to be 12.7% of the employment made by the National Employment Service. Statistics of places made by the National Employment Service for this year show 27% in this age group.

One of the age groups who have been laid off from coal mining have found it very difficult to become reabsorbed in other branches of industry, in spite of the fact that they are capable of doing a good day's work.

This situation is creating some concern to our present Government, as our recent statistics show that 11.5% of the labour force of Japan.

A further, serious coal mining industry could reduce this unemployment situation, as well as reducing the demand for unemployment insurance benefits. In 1953 some 3,725,000.00 was paid out in U.I.C. benefits, and over 3,000,000.00 in 1952, in this area alone.

With reference to the employment of labour, it is important to note that coal mines are generally very busy during the winter months, and therefore in a position to employ labour at a period when the overall employment picture in Canada was at a low level.

Since the arrival of nearly every industry of consequence in Canada depends on either directly or indirectly, on the coal and gas that is the basis of the energy provided there as to the coal industry, independent employment, particularly those of the upper age bracket, and increasing the cost of transportation, that further contributes to the coal industry and thereby stabilizing the economy of the coal mining areas, are in the interests of the country as a whole.

As the question of maintaining the coal industry is of national economic importance, then the Federal Government should take effective steps by various means to preserve at least a nucleus of the industry.



Law?

(1) By insuring an adequate share of the market now existing in that portion of Canada now available to Western coal by means of equitable freight rates, and the maintenance or increase of the present subvention assistance, also by insuring that Canadian coal only be used in Government buildings, and that present preference of ten cents per ton to an amount that would place Canadian coal to better than competitive position when compared with imported coals. That the Dominion Coal Board should be maintained, and its activities increased by granting it additional powers in the control and use of coal in the fuel policy of Canada.

(2) In the matter of research in the end use of coal, the Commission should consider intimate cooperation between Federal and Provincial Governments to promote the furthering of coal usage for metallurgical, chemical and heating purposes, thus providing for long term existence of an economic coal industry in the interests of a future strong industrial Canada and its people.

(3) Thermal Power - Considering the near future, increase of population of Western Canada, and its attendant industrial expansion, the demand for electrical power will no doubt increase beyond the limits of our present power generating plants. The majority of suitable Hydro Power locations are already in use, and any remaining ones are far removed from the power load centres in the West. It has now been accepted by prevailing authorities that the bulk of our future power requirements will originate in Thermal Power plants fuelled by coal. This trend is evident now, but is based mainly on strip mine coal which is cheaply mined, but is not a major contributor to the employment of labour, and thus it is of minor importance to the general economy of any given area. We therefore suggest, that presently planned extensions in the existing power plants in the Province of Alberta be deferred and substituted by a Thermal Power Plant built in the Crow's Nest Pass as a means of using underground mined bituminous coal, supporting the economy of our towns by the employment of this surplus labour.

Any Government assistance in this project will be offset by the increase in employment, and therefore should be given serious consideration.







ion. In support of this we would like to quote from the 1958 Alberta Power Commission.

"The continent of North America is approaching another explosion of population similar to that which commenced after the second world war. Canada will share in this and Alberta because of its great energy will probably have more than its proportionate share. This indicates that it might be well to start now to take a careful look at energy resources and particularly at our coal reserves. We know that we have about one-half of all the mineable coal in Canada, but beyond that our knowledge is somewhat limited as to the exact delineation of our various coal seams and the location of mineable deposits of the order of 100 to 200 million tons which will be required to supply the power plants of the relatively near future. We are only now coming to the realization of the fact that generally speaking in Alberta power can be produced from coal more cheaply than from natural gas and similarly that thermal power is cheaper than hydro. Coal will produce our basic load of the future while gas and hydro will find their places -- most valuable places -- as peak load supplements from coal. For Alberta, at least, because of its cheap fuels, nuclear power is still far in the future."

(4) Export of Coal

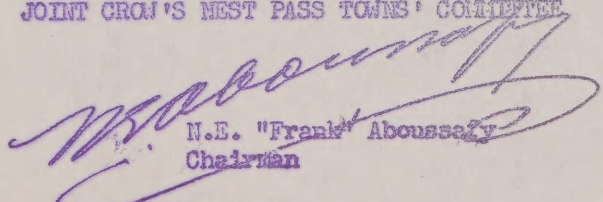
The subvention assistance granted to these mines by the present Government has insured the entry of our Western coal to the Japanese market, thereby enabling the mines to increase their production and continue their existence. Without this subvention assistance some of these mines could possibly have now ceased operation.

This area wishes to extend its thanks and appreciation to the present Government for this timely assistance. We who are responsible for this brief are fully aware that mines now shipping coal to Japan are competing in a world-wide market, and must be prepared at all times to meet world prices, all of which makes the degree of subvention assistance of utmost importance.

We of the Crow's Nest Pass district respectfully submit this brief to your Commission, and trust that its contents will receive your due consideration in the interest of an orderly development of our coal industry for the benefit of the Canadian economy and the continued high level of employment, and by so doing, the preservation of a coal industry for Western Canada.

Sincerely yours,

JOINT CROW'S NEST PASS TOWNS' COMMITTEE

  
N.E. "Frank" Aboussafy  
Chairman



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#### Export of Coal

(b)

The mentioned assistance granted to those mines by the present Government has insured the entry of our Western coal to the Japanese market, thereby enabling the mine to increase their production and continue their existence. Without this mentioned assistance some of these mines could possibly have now ceased operation.

This area wishes to expand its theme and appreciation to the present Government for this timely assistance. We who are responsible for this letter are fully aware that mine now shipping coal to Japan are operating in a profitable market, and that we proposed at all times to meet world markets, all of which under the degree of cooperation assistance of

As of the time of the letter, the Government of Canada was in the process of reviewing the situation of the coal industry in the interest of an orderly development of our coal industry for the benefit of the Canadian economy and the continued high level of employment, and by no delay, the preservation of a coal industry for

Western Canada.

Sincerely yours,

JOHN GORDON, MONTREAL, QUEBEC

H.E. "Frank" Thompson  
Chairman